

**DEPARTMENT OF ADMINISTRATION
GENERAL SERVICES DIVISION
STATE PROCUREMENT BUREAU**

www.discoveringmontana.com/doa/gsd



JUDY H. MARTZ
GOVERNOR

STATE OF MONTANA

MITCHELL BUILDING, ROOM 165
PO BOX 200135

(406) 444-2575
(406) 444-2529 FAX
TTY Users-Dial 711

HELENA, MONTANA 59620-0135

**Questions and Answers on Limited Solicitation
Prepared by the State Procurement Bureau
Department of Administration
October 2003**

1. What is the purpose of limited solicitation?

Limited solicitation provides state agencies with a tool to procure low cost items in an expedited manner. This method can be used for both supplies and services up to \$25,000. (By administrative rule, the State Procurement Bureau (SPB) does not require competition for purchases under \$5,000.)

2. What are the required procedures?

Agency personnel must obtain a minimum of three viable quotes, if available. Quotes can be oral, written, faxed, or e-mailed. Agencies must use SPB's Limited Solicitation Forms, available on our website at: <http://www.discoveringmontana.com/doa/gsd/css/default.asp>. Documentation is required, including vendors contacted, quotes received, complete product description and/or service requirements, and all award conditions (e.g., delivery requirements, sole brand, and packaging). If the purchase is based upon "sole brand," a "Sole Brand" Procurement Justification Form, available on the above-listed website, is also required as documentation for the purchase. The contract must be awarded to the lowest acceptable quote if cost is the only consideration.

3. Can factors other than cost be used?

Yes. It is allowable to use criteria other than cost (e.g., qualifications, available staff, references, etc.) in making an award. Vendors must be provided with all the criteria and their relative importance. The evaluation criteria must be completed prior to accepting responses. This method of limited solicitation must be done in writing.

4. What does "viable quote" mean?

It means asking the appropriate and responsible vendors for quotes.

5. What if three vendors are not available?

This may happen occasionally. If three are not available, include a short explanation why. Remember, you have to justify how you selected your vendors, so use good judgment.

6. Should agencies include a list of standard terms and conditions with a limited solicitation?

In some cases, terms and conditions should be attached to the solicitation and the contract. This will require the solicitation to be done in writing. The minimum terms and conditions the State Procurement Bureau recommends are found on the backside of the SPB's Limited Solicitation Form. Agencies should evaluate the service or product to determine if additional terms should be included, such as commercial general liability insurance, workers' compensation insurance, and payment and shipping terms. Please contact the SPB at 444-2575 if you have any questions.

7. Is it okay to fax a quote page to vendors rather than calling each one?

Yes. This may be more time efficient than calling because all of your conditions will be in writing with less chance for misinterpretation.

8. What if I estimate the product to be under \$25,000, and all quotes come in above \$25,000?

If the lowest acceptable quote is significantly higher than anticipated, make no award and re-bid using other methods (sealed bid or proposal). If the lowest quote is slightly higher, contact the SPB at 444-3315.

9. Do I need to issue a purchase order?

The State Procurement Bureau recommends using a written agreement for all purchases, but it is not required.

10. Can I use a state procurement card for payment?

Yes, pro-card can be used as a payment method for any purchase. Just remember that use of pro-card is not a replacement for a competitive procurement method.

11. If I use criteria other than cost, do I need to assemble a committee to review responses?

No, one person can perform the analysis.

12. Can I use a limited solicitation process if I want the ability to renew the contract?

Maybe, however, if the total cost, including both the initial contract period, plus any possible renewal(s) exceeds \$25,000, agencies must use either a formal sealed bid or proposal process. Limited solicitation is designed for one-time or small-dollar purchases that do not exceed a total contract value of \$25,000.

13. Can protests be filed on a limited solicitation purchase?

No. Per section 18-4-242, MCA, vendors may not file a protest on limited solicitations or small purchases.